

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 8570	Department Food and Agriculture	Priority No. 1
Budget Request Name 8570-001-BCP-DP-2016-GB		Program 6570 – AGRICULTURAL PLANT AND ANIMAL HEALTH; PEST PREVENTION; FOOD SAFETY SERVICES	Subprogram

Budget Request Description
Avian Influenza Prevention and Response

Budget Request Summary

The California Department of Food and Agriculture requests 1.0 permanent position and \$192,000 in General Fund authority in Fiscal Year 2016-17 and \$167,000 General Fund ongoing for the Animal Health and Food Safety Services Division to meet current and continued threats to animal health and the food supply posed by unprecedented Highly Pathogenic Avian Influenza outbreaks.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Dave Preciado	Date 12/07/15	Reviewed By Dr. Annette Jones	Date 12/07/15
Department Director <i>Kevin Masuhara</i>	Date <i>1-6-16</i>	Agency Secretary <i>Karen Ross</i>	Date <i>1-6-16</i>

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA <i>[Signature]</i>	Date submitted to the Legislature <i>1/7/16</i>
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BCP Fiscal Detail Sheet

BCP Title: Avian Influenza Prevention and Response

DP Name: 8570-001-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages						
Earnings - Permanent	0	79	79	79	79	79
Total Salaries and Wages	\$0	\$79	\$79	\$79	\$79	\$79
Total Staff Benefits	0	37	37	37	37	37
Total Personal Services	\$0	\$116	\$116	\$116	\$116	\$116
Operating Expenses and Equipment						
5301 - General Expense	0	2	1	1	1	1
5304 - Communications	0	1	1	1	1	1
5320 - Travel: In-State	0	4	4	4	4	4
5324 - Facilities Operation	0	3	3	3	3	3
5342 - Departmental Services	0	30	30	30	30	30
5346 - Information Technology	0	1	1	1	1	1
5368 - Non-Capital Asset Purchases - Equipment	0	3	0	0	0	0
54XX - Special Items of Expense	0	32	11	11	11	11
Total Operating Expenses and Equipment	\$0	\$76	\$51	\$51	\$51	\$51
Total Budget Request	\$0	\$192	\$167	\$167	\$167	\$167

Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	192	167	167	167	167
Total State Operations Expenditures	\$0	\$192	\$167	\$167	\$167	\$167
Total All Funds	\$0	\$192	\$167	\$167	\$167	\$167

Program Summary

Program Funding						
6570 - Agricultural Plant and Animal Health; Pest Prevention; Food Safety Services	0	192	167	167	167	167
Total All Programs	\$0	\$192	\$167	\$167	\$167	\$167

				Salary Information								
Positions				Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
0177 - Veterinarian (Gen) (Eff. 07-01-2016)							0.0	1.0	1.0	1.0	1.0	1.0
Total Positions							0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages				CY	BY	BY+1	BY+2	BY+3	BY+4			
0177 - Veterinarian (Gen) (Eff. 07-01-2016)				0	79	79	79	79	79	79		
Total Salaries and Wages				\$0	\$79	\$79	\$79	\$79	\$79	\$79		
Staff Benefits												
5150350 - Health Insurance				0	7	7	7	7	7	7		
5150500 - OASDI				0	6	6	6	6	6	6		
5150600 - Retirement - General				0	20	20	20	20	20	20		
5150800 - Workers' Compensation				0	4	4	4	4	4	4		
Total Staff Benefits				\$0	\$37	\$37	\$37	\$37	\$37	\$37		
Total Personal Services				\$0	\$116	\$116	\$116	\$116	\$116	\$116		

A. Budget Request Summary

The California Department of Food and Agriculture (CDFA) requests 1.0 permanent position and \$192,000 in General Fund (GF) authority in Fiscal Year (FY) 2016-17 and \$167,000 General Fund ongoing for the Animal Health Branch (AHB), in the Animal Health and Food Safety Services (AHFSS) Division. The requested resources will address critical workload related to personnel safety, quarantine placement and movement control, disease prevention, detection and response posed by unprecedented Highly Pathogenic Avian Influenza (HPAI). The resources will also provide staffing in geographic areas of high animal disease risk, specifically the coastal area north of San Francisco, which does not have emergency response veterinarian coverage.

B. Background/History

Avian Influenza (AI) is a viral disease of birds. This virus occurs naturally among wild aquatic birds worldwide with the propensity to infect domestic poultry and other bird and animal species. Flu viruses are constantly changing. Animal flu viruses can evolve to impact human health and have been the source of all major human flu pandemics worldwide. Pandemic is most likely to occur if certain strains are allowed to stay in large populations of domestic poultry potentiating mutation. When certain flu viruses, referred to as “highly pathogenic” move from wild birds to domestic birds, they kill 90 to 100 percent of the population within five days of infection. Ironically, these same viruses usually do not cause disease in waterfowl (i.e. ducks) so it can travel the world with migrations. In California, AI has a well-documented seasonal pattern. Waterfowl and water bird migration in North America generally consists of north-south seasonal movements between breeding grounds and wintering areas. There are four flyways in North America – Atlantic, Mississippi, Central, and Pacific. Many migratory bird species use specific flyways; however, many species migrate across flyways during the fall and spring. The Pacific Flyway is thought to be the most likely area of introduction for the HPAI viruses detected in Canada and the western United States (U.S.) (including California) in December 2014¹. This introduction is most likely to occur during winter migrations south from breeding grounds. Once AI is introduced into domestic avian populations, subsequent spread is normally caused by domestic bird-to-bird contact or through contact with contaminated people, feed, or equipment rather than through secondary introductions from the wild reservoir.

A New Threat

In 2014, a new strain of HPAI evolved in Asia. This strain is called Eurasian H5N8. It is in the same H5 family as the Asian H5N1 (“Bird Flu”) that has been ravaging Asia, Africa and the Middle East killing both poultry and humans since 1997. Human infections with novel AI virus like Asian H5N1 have resulted in 449 human deaths and over 844 human cases reported as of July 15, 2015². While Asian H5N1 has a high human mortality rate, it is not a pandemic strain because the virus moves from poultry to humans but not from human to human.

While the Eurasian H5N8 strain has not mutated to harm humans yet, it is particularly concerning because it is in a group that has made this change and it has adapted to survive well in wildlife, demonstrating an unusually strong ability to travel the world on flyways. In late 2014, it became the first HPAI detected in California wild birds, and in early 2015, it was the first HPAI detected in domestic flocks. Not only does it have a near 100 percent lethality rate in chickens and turkeys, but it has the fairly unique ability to move from wild birds to domestic and then back to wild birds. Most AI viruses tend to die out after being eradicated from domestic birds because after mutating while moving through domestic flocks, they have a harder time reinfecting wild birds. This means it is likely that Eurasian H5N8 will be in wild birds for the

¹ USDA and USGS, Surveillance Plan for Highly Pathogenic Avian Influenza in Waterfowl in the United States, June 2015.

² HPAI, particularly HPAI H5N1, has infected humans and caused fatalities. World Health Organization (WHO), Cumulative Number of Confirmed Cases of Avian Influenza A(H5N1) Reported to the WHO, 2015. HPAI H5 viruses, such as Eurasian H5N1 and H5N6 viruses, have caused severe illness and death in humans in Europe, Asia, and Africa and these newly identified U.S. HPAI viruses should be regarded as having the potential to cause severe disease in humans until shown otherwise.

foreseeable future, particularly in migrating waterfowl, and at any time it can spill into domestic flocks.

Another new threat was realized in 2015, as well, when the Eurasian H5N8 met a North American “low pathogenic” strain and recombined to form highly pathogenic Eurasian American H5N2³. Recombination is what both human health and animal health experts fear. They can quickly become more infectious and more lethal to animals or humans, depending on the characteristics of both viruses. In this case, the virus became more infectious to poultry and maintained its high poultry lethality rate, but it still did not pose a human health threat.

Largest Animal Health Emergency in U.S. History

The detection of Eurasian H5N8 virus in two commercial poultry flocks in California last spring was the beginning of the largest HPAI outbreak in U.S. history. Before the H5N8 virus and its progeny, H5N2, could be contained and eliminated, they resulted in the death of approximately 50 million chickens and turkeys and complete depopulation and decontamination on 211 farms in the U.S. Minnesota, Iowa, and Wisconsin, who were fighting the evolved strain of H5N2, declared a State of Emergency. The disease resulted in severe food shortages and more than doubling of the cost of certain products. Liquid Eggs, which are used in most cooked products containing eggs, were particularly in short supply (40 percent lost production with about 50 percent of all the hens in Iowa destroyed), but there was also fear that turkeys could not meet the Thanksgiving demand. The response cost is also record breaking at approximately \$700 million, and the estimated economic impact is still being totaled but has been estimated at \$8 billion⁴ nationwide. Because detection of HPAI also triggers severe trade sanctions and the U.S. is the world’s largest supplier of poultry meat, there was understandable fear that, if not contained, the virus could impact the world food supply and our economy. In California, poultry products make up approximately \$4.2 billion (ten percent) of California’s agricultural economy⁵.

A New Challenge

While H5N8 was well contained in California and limited to a turkey farm and a duck/chicken farm, it clarified gaps in California’s preparedness. California is not alone in this effort to reevaluate preparedness now that there is an eminent and ongoing threat of HPAI. The U.S. Department of Agriculture’s (USDA) Veterinary Services (VS) and all State Veterinarians have been mobilizing resources to control, contain, and eradicate future outbreaks of HPAI. CDFA also now knows that an outbreak will likely not be limited to California, which will stretch USDA resources more than in past “California only” outbreaks. California is a top 10 national producer of poultry products and based on 2015 outbreaks, is clearly susceptible to virus carried by migrating birds, and therefore must reevaluate preparedness and be resilient in the face of a reduced USDA presence.

Animal Health Branch

AHB is the State’s organized, professional veterinary medical unit solely responsible for protecting livestock populations, consumers, and California’s economy from catastrophic animal diseases and other health or agricultural issues. AHB addresses disease and other issues that cannot be successfully controlled on an individual animal or herd basis, but require statewide coordinated resources. Food and Agricultural Code Divisions 5, 9, 10, 12, and 15 designate the extent of the activities that CDFA shall undertake to protect the State against animal disease and food contamination. AHB is the “response” arm of the California disease control system. Its mission is to safeguard public health, animal health, and California’s economy through prevention, detection, and eradication of livestock and poultry diseases.

³ The HPAI viral strains detected in the US include primarily H5N2, but also H5N8 and H5N1 Source: CDC, Emerging Infectious Diseases 2015 21 (12)-Dec 2015 [edited] <http://wwwnc.cdc.gov/eid/article/21/12/15-0904_article#suggestedcitation>.

⁴ U.S. Senator Johnson, Chairperson, Homeland Security and Government Affairs Committee, at the Senate hearing, “Stopping an Avian Influenza Threat to Animal and Public Health”, July 8, 2015.

⁵ In 2012, the most recent year for which a full crop year report is available, California’s 80,500 farms and ranches received \$42.6 billion for their output (USDA/NASS Crop Year Report).

Analysis of Problem

Animal Health Branch Resource History (dollars in thousands)

Program Budget	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16 (Projected)
General Fund	\$7,412	\$7,715	\$6,864	\$7,342	\$8,218	\$8,206
Industry Fund (drug test)	\$834	\$825	\$785	\$635	\$643	\$644
Federal Fund	\$1,488	\$1,520	\$1,871	\$1,743	\$2,013	\$2,010
Total Budget Authority	\$10,060	\$9,520	\$9,520	\$9,720	\$10,874	\$10,860
Actual Expenditures	\$7,842	\$8,417	\$8,408	\$9,519	\$10,996*	\$10,860
Authorized Positions	77.0	76.0	62.0	61.0	67.0	67.0
Filled Positions	68.0	67.0	56.0	59.0	62.0	67.0
Vacant Positions	9.0	9.0	6.0	2.0	5.0	0.0

*Resources from within AHFSS were redirected to cover coverage.

C. State Level Considerations

This proposal is consistent with the Governor's Office policy and priority of protecting the health and safety of the citizens of California, and with the Governor's Office agreement to expand international trade and investment between businesses in Mexico, Canada, and China. It is in accordance with CDFA's mission to promote and protect a safe and healthy food supply and to enhance local and global agricultural trade, through efficient management, innovation, and sound science, with a commitment to environmental stewardship. This proposal is also in agreement with the CDFA strategic plan to optimize resources through collaboration, innovation, and process improvements.

D. Justification

USDA and all State Animal Health Officials in the U.S. are preparing for an animal health emergency which entails simultaneously responding to 500 outbreaks. The current strain of HPAI requires the utmost vigilance. The HPAI H5N8 virus outbreaks in U.S. birds will likely continue for years to come with additional reassortment of North American viruses. The U.S. HPAI emergency of 2015 presents unique mobilization planning and resource challenges for CDFA in preparing for a large animal health emergency. CDFA anticipates future USDA VS personnel resources, which are a critical asset in Unified Command, may be limited and is preparing for an HPAI/animal health emergency with this in mind.

Working with university experts, cooperating agencies, including the California Office of Emergency Services (CalOES), and potentially impacted farmers, ranchers, and processors, CDFA has spent the past two years examining and redefining key core responsibilities and evaluating existing resources in the context of increasing trade, travel, and evolving disease and toxic threats in anticipation of the next HPAI incursion. Ongoing planning efforts have been refined by understanding the strengths and lessons learned from the 2015 HPAI national emergency by attending multi-state partnership (i.e., Mid-Western states) meetings sponsored by USDA VS; an after action assessment of CDFA and USDA response to the 2015 California HPAI and low pathogenic AI (LPAI) incidents; and national meetings and conference calls with State Veterinarians and USDA to develop model policy and permitting requirements to safely move poultry and poultry products from infected areas to meet the demand for food without spreading HPAI.

The spring 2014 and winter 2015 HPAI emergency outbreaks in the State's Central Valley highlighted the current vulnerabilities in the system. The first small outbreak involving one farm in April 2014 required the redirection of all AHB staff including untrained staff into dangerous situations and critical surveillance staff to respond, leaving the system vulnerable and creating industry concern. In response to the April 2014 animal health emergency, 4.0 permanent positions and \$600,000 General Fund were included in FY 2014-15 for emergency respond capacity to address AI and develop strategies to prevent future AI outbreaks.

Analysis of Problem

Prior to FY 2014-15, there were no positions dedicated to address AI outbreaks. These additional positions did fill the most problematic gaps and enhanced the response in 2015 (January, February, and March) when three farms became infected, one with LPAI and two with HPAI Eurasian H5N8. Additionally, the Milk and Dairy Food Safety Branch redirected two unfunded vacant positions to the AHB, which are now funded through USDA cooperative agreements. However, the CDFA must reapply on an annual basis for this funding.

CDFA now knows that the new strain of HPAI H5N8 introduced into California waterfowl can mutate with native strains to become more infective (HPAI H5N2), can mutate to become a human health threat (same group as HP Asian H5N1) and is likely here to stay for some time in wildlife (evidence from Eurasia). CDFA also knows that it cannot let it enter and circulate unchecked in large domestic flocks because that increases the chance of mutation to a more harmful virus and increases the virus load which can lead to windborne spread. Both of these scenarios occurred in the 2015 Midwestern outbreak. CDFA knows that USDA may be occupied in other states with outbreaks and will not be able to send the same level of resources to California as in the past. It is not known exactly when HPAI will spill into California poultry again and exactly what virus CDFA will be facing.

AHB provides the State's only resource to prevent, detect, contain, and eliminate livestock and poultry disease outbreaks of greatest concern. Outbreaks of concern, as exemplified by the catastrophic U.S. 2015 HPAI outbreak, are limited to those that an individual producer and their veterinarian cannot contain, will devastate animal and/or human health, and result in a complete disruption of trade to animal and animal product movement.

Because pathogens that trigger a State emergency can replicate exponentially and can be easily moved with their host, on product, by carriers (fomites), and even be windborne⁷, detection and initial containment must occur rapidly. As such it is critically important to strategically preposition assets, such as the requested specially trained foreign disease detection and containment veterinarian.

The CDFA HPAI Preparedness and Response Plan supports an integrated system to protect California agriculture and the public from disease and food contaminants that fall within CDFA core areas of responsibility. CDFA is relatively well positioned to respond to a small AI outbreak that affects one or two flocks and is not a human health hazard, assuming there are no other outbreaks of diseases like bovine tuberculosis at the time. However, after evaluating the 2015 HPAI/LPAI emergencies in the Central Valley in combination with lessons learned being shared by other states impacted by the 2015 HPAI emergency, CDFA has identified an immediate resource need and gap in preparing for the next outbreak. Should HPAI be detected in California in the winter or spring migratory season, CDFA may be required to submit additional future requests for budget augmentation. An emphasis has been placed on leveraging other local, State and Federal resources and staffing CDFA to the minimum degree necessary to lead a response with CalOES mobilizing supporting agencies.

One Veterinarian (General) is requested to be assigned to a geographically vulnerable high risk area, the coastal counties north of San Francisco, which has no AHB veterinarian coverage and is a growing area of niche poultry farms and backyard/hobby premises. This position will fill a major animal health resource gap. Between 2007 and 2012, poultry farms increased by 57 percent (870 poultry farms) in the coastal counties north of San Francisco (Sonoma, Mendocino, Humboldt and Del Norte).

The Veterinarian will be responsible for outreach, surveillance, investigations, and diagnoses to provide early AI detection and engage in cooperative disease control efforts in order to avoid or minimize future catastrophic outbreaks. Because the farming growth in this area is primarily pasture raised or organic small community based farms serving niche markets, they are also at increased risk of disease due to exposure to wild birds. Many also do not have access to a private veterinarian, further increasing the risk

⁷ Environmental factors may also play a part in transmitting HPAI. VS found that genetic material from the HPAI virus could be detected in air samples taken inside and outside infected poultry houses, supporting the idea that the virus can be transmitted through air (Epidemiologic and Other Analyses of HPAI-Affected Poultry Flocks: June 15, 2015 Report, USDA VS)

Analysis of Problem

of an unchecked outbreak. The Veterinarian will perform surveillance and inspections in high-risk areas of AI determined by the improved situational awareness gained through collaboration with local jurisdictions. When not investigating reports of sick poultry with symptoms consistent with AI, training, participating in table top exercises, or responding to animal disease emergencies, the Veterinarian will increase animal health inspections at points of congregation (e.g., flea markets, livestock auctions, exhibitions, etc.); conduct regulatory disease prevention and control outreach delivering information and materials to feed stores, livestock markets, and other key locations; and collect surveillance samples from livestock and poultry.

This position will be available to respond to an animal health emergency, such as AI, anywhere in the State. Vigilant surveillance is the best strategy to achieve rapid detection and response. There is no staff assigned to the coastal counties north of San Francisco. At one time when there was a large commercial poultry industry in the area, there was a veterinarian positioned in Sonoma County, but as the industry contracted and budgets were reduced, that position was eliminated. With the resurgence of community based agriculture, the poultry population in this area has grown significantly and many of the operations take advantage of the coastal climate and San Francisco Bay Area markets, growing higher value outdoor organic poultry that are also exposed to migrating waterfowl. This area is currently covered by the Redding District with the closest field veterinarian located four to six hours away. Because field veterinarians are responsible for detecting and initial containment of all catastrophic foreign animal diseases, not just HPAI, CDFA must maintain adequate field presence where significant cattle, sheep and poultry populations are located, making redirection, given our current field resources, impossible. Therefore, AHB is requesting this additional resource because adequate surveillance requires a presence and the drive time and demands in the rest of the District make that impossible, leaving that part of the State vulnerable. Studies currently being prepared for publication on the recent HPAI outbreak as well as studies publishing on other catastrophic diseases like foot and mouth disease (Ekbar) document that rapid detection and initial quarantine within hours of introduction can save millions to billions of dollars in response costs. Importantly, this resource can be deployed to any area of the State in the event of an outbreak to serve on our currently understaffed incident management teams. If disease agents are allowed to enter the State undetected, California's \$12.5 billion livestock and poultry industries could be devastated.

E. Outcomes and Accountability

AHFSS will account for personnel workload activity and hours through a web-based Task Tracker. The Task Tracker will provide detail on the activities of staff and make it possible to more accurately allocate work, redirect and make staff changes, balance workloads, and assist in the program budget development process. The requested resources will be managed through monthly budget projections, expenditure forecasting, and the California State Accounting and Reporting System.

F. Analysis of All Feasible Alternatives

Alternative #1: Increase CDFA's General Fund authority by 1.0 permanent position and \$192,000 General Fund in FY 2016-17 and \$167,000 General Fund ongoing for AHFSS to meet current and continued threats to animal health and the food supply posed by unprecedented HPAI.

Advantages: This would provide CDFA the ability to respond to an HPAI outbreak, in a timely manner, in order to protect California's \$54 billion agricultural industry and the public. History has demonstrated repeatedly that fast-moving foreign animal disease introductions have devastating consequences. This cost effective investment in animal health and food safety infrastructure will safeguard public health from food-borne pathogens and diseases common to animals and humans, and ensure the protection of California's multi-billion dollar agricultural industry.

Disadvantages: This alternative increases the obligation to the General Fund.

Alternative #2: Do not increase CDFA's General Fund authority to fund one Veterinarian (General) to meet current and continued threats to animal health and the food supply posed by unprecedented HPAI outbreaks.

Advantages: There will be no obligation to the General Fund.

Disadvantages: If CDFA's General Fund authority is not increased, CDFA will not have the ability to respond in a timely manner to HPAI to protect California's \$54 billion agricultural industry and the public. The economic impact to California's \$12.5 billion livestock and poultry industries and international trade could be in the billions of dollars and threaten human health if the disease is transmissible to people. More than 70 percent of emerging infections in humans have their origin in animals. It is well known that influenza viruses circulating unchecked in birds and pigs are the greatest risk for the origination of the next pandemic virus.

Alternative #3: Pursue funding from the Federal government or CalOES.

Advantages: There would be no obligation to the General Fund.

Disadvantages: USDA typically funds 100 percent of extraordinary costs for an animal health emergency response (overtime, equipment, interagency support, temporary help, etc.) and also enters cooperative agreements with CDFA for specific tasks, but CDFA is requesting baseline resources to prepare for, plan and respond to HPAI. Available federal resources have been fully utilized to meet the obligations that come with them. Further, the resources identified in this request are intended to protect the public from disease or contamination that is introduced to California farms and ranches primarily from migrating birds, travelers, and urban backyard animals. There is a clear urgency needed to resolve these funding gaps, as was demonstrated by CDFA response, to a single small point outbreak of H5 AI in April 2014 and HPAI in early 2015. CDFA will continue to seek one-time funding from CalOES for equipment to be used for animal health laboratory detection and emergency response; however ongoing CalOES funds (e.g., Homeland Security Grant) cannot be obtained since these grants are one-time only and have not been awarded to CDFA since 2012.

Alternative #4: Pursue funding from industry stakeholders.

Advantages: There would be no obligation to the General Fund.

Disadvantages: CDFA has worked with industry cooperators for over a year to identify mechanisms for establishing a fee to fill the current resource gap. A tax on food, a tax on feed including pet food, and a registration program for all pets, livestock, and poultry and an associated per head tax were all explored but the logistical, administrative, and political challenges involved with each were excessive. Further, livestock and poultry industries already fund \$18.8 million of the AHFSS \$51.8 million budget because, due to long-term General Fund reductions, AHFSS now charges fees for all services that lend themselves to a fee-for-service

Analysis of Problem

model. The remaining resources that are currently funded by General Fund are challenging to associate with a tax or a fee unless that tax or fee can be assessed to all animal owners in the State and anyone that may unknowingly track a new, devastating disease into California from another country. There is clear urgency needed to resolve these funding gaps, as was demonstrated by CDFA response, to a single point outbreak of H5 AI in spring 2014 and winter 2015.

G. Implementation Plan

The CDFA hire will be made expeditiously to ensure compliance with personnel rules and provide surveillance and immediate emergency disease response.

H. Supplemental Information

This proposal includes one-time costs for one vehicle, computer and software.

I. Recommendation

CDFA recommends approval of Alternative #1 for 1.0 permanent position and \$192,000 General Fund in FY 2016-17 and \$167,000 General Fund ongoing for AHFSS to meet current and continued threats to animal health and the food supply posed by unprecedented HPAI outbreaks.